



U.S. Customs and Border Protection Modernization

The Automated Commercial Environment (ACE) Report to Congress

CBPMO-RPRT-012

June 30, 2004

U.S. Customs and Border Protection Modernization Office

Automated Commercial Environment (ACE) Report to Congress

June 30, 2004

Table of Contents

Executive Summary.....	2
1. Performance.....	4
1.1 Compliance with the Customs Modernization Act	4
1.2 ACE Development Accomplishments.....	4
1.3 Open General Accounting Office Recommendations.....	7
1.3.1 Cost-Estimating	7
1.3.2 Human Capital Management (HCM).....	7
1.3.3 Independent Verification and Validation (IV&V)	8
1.3.4 Use of ACE Infrastructure for DHS	8
1.3.5 ACE Acquisition Schedule	9
1.3.6 Measurement of Program Management Improvement Efforts	9
2. Schedule.....	9
3. Cost.....	10
3.1 Fiscal Status: Funding and Expenditures	10
3.2 Cost Containment	11
4. Near-Term Milestones	12
5. Outlook	13
Appendix A. Customs Modernization Act Requirements for ACE and Description of ACE Functionality.....	16
Appendix B. Acronyms and Selected Definitions.....	20
Figure 1. Estimated Delivery Dates for Selectivity and Targeting.....	10
Figure 2. Periodic Payment and e-Manifest: Trucks Schedules.....	10
Figure 3. ACE and ITDS Funding Status.....	11

Executive Summary

In 2001, U.S. Customs and Border Protection (CBP) embarked on the Automated Commercial Environment (ACE) as its first project in a multi-year modernization effort to reengineer its business processes and the information technology that supports them. The initial plan was to focus first on ACE and trade processing, and then on other elements of CBP Modernization, including enforcement. The terrorist attacks on September 11, 2001, changed this focus. ACE is being developed to simultaneously support the CBP mission of border security and trade facilitation.

With the establishment of the Department of Homeland Security (DHS), CBP has also aligned ACE with the DHS mission and strategic goals. The ACE will help reduce our Nation's vulnerability to threats without diminishing economic security by providing threat awareness, prevention, and protection for the homeland. Specifically, ACE will help:

- Detect, deter, mitigate threats, and help assess vulnerabilities to homeland security and the American public.
- Safeguard U.S. citizens and critical infrastructure from acts of terrorism.
- Serve the public by effectively facilitating the movement lawful trade.

Working closely with other government agencies and the trade community, CBP is modernizing to enhance interagency information sharing and analysis, replace outdated systems taxed by increasing demands, and to comply with legislation requiring greater agency efficiency and effectiveness to better serve the public. Among other capabilities, CBP personnel will have automated tools and better information to decide – before a shipment reaches U.S. borders – what cargo should be targeted because it poses a potential risk, and what cargo should be expedited because it complies with U.S. laws.

The *Automated Commercial Environment Report to Congress* consolidates CBP Congressional reporting requirements, which include the *Homeland Security Appropriations Bill, 2004*, and the *Trade Act of 2002*. These statutes require quarterly updates on how ACE development and establishment is being implemented cost-effectively, and how ACE meets the modernization requirements of the 1993 Customs Modernization Act (Title VI of the North American Free Trade Agreement Implementation Act).

This report is provided to the Senate Finance Committee, House Ways and Means Committee, and both Appropriations Committees. The reporting period for this update is April 1 – June 30, 2004. The report provides a “snapshot” of current program status, highlighting recent accomplishments, challenges, and near-term milestones. A review of previous reports may be helpful in understanding the full context of the information provided in this edition of the report.

The report also includes a brief overview of how ACE capabilities will help satisfy the requirements of the 1993 Customs Modernization Act, the status of efforts to resolve the General Accounting Office (GAO) open audit recommendations, and an update on program cost and schedule. Notable in this report, ACE lifecycle cost models currently being reviewed by CBP indicate ACE development will be completed in the 2010 to 2012 time frame. Details on the factors contributing to this longer schedule were highlighted in the March 31, 2004 report. Also, a more definitive estimated program schedule and cost will be determined when the new ACE Program Plan review is completed later this summer.

Appendix A contains a description of current and future ACE capabilities as reflected in the current plan. Appendix B provides a glossary of commonly used acronyms in the report and selected definitions.

1. Performance

This section highlights how ACE will help satisfy the requirements of the Customs Modernization Act, selected program accomplishments, and actions related to the open GAO recommendations.

1.1 Compliance with the Customs Modernization Act

The Customs Modernization Act (Mod Act) is a primary business driver and the legal foundation for the CBP Modernization effort. The Act emphasizes electronic processing and self-compliance as the preferred method for handling commercial importations. The Act also directs CBP to pursue a number of specific automation programs. The Act provides the foundation for the redesign of the trade compliance process and the strengthening of Selectivity and Targeting (S&T) systems. These are key requirements for enhancing border security and expediting legitimate trade.

The Act outlines requirements for automation and provides for the electronic processing of imports. The Act promotes the concept of informed compliance, which requires CBP to provide accurate and timely information to the trade community, and the concept of shared responsibility requiring the trade to use reasonable care in fulfilling their compliance obligations. The CBP is developing ACE to deliver these capabilities in a secure, paper-free, web-enabled environment. The ACE is being built using an incremental approach that features a series of releases. Each release will leverage the foundation components and functionality present in the previous releases and bring new capabilities to the trade community and government users. The planned delivery of functionality within and across ACE releases serves to fulfill specific Subtitle VI requirements in the Act.

1.2 ACE Development Accomplishments

Following are key program accomplishments between March 31, 2004, (closing date of previous report) and June 30, 2004.

- **Completed Systems Acceptance Testing (SAT) for Periodic Payment (Release 3).** Periodic Payment SAT was successfully completed in May 2004, indicating that the design met the approved requirements for the system.
- **Achieved the Production Readiness Review (PRR) for Periodic Payment (Release 3).** This is a critical development milestone, indicating that the system is ready to be piloted and evaluated by users.

- **Initiated Periodic Payment (Release 3) Training.** Initiated the pilot and evaluation period for ACE Periodic Payment capabilities. This ACE feature includes new monthly account statement and payment capabilities, as well as ledger integration, notifications, alerts, and other enhancements. Training began in June 2004 for CBP and trade account personnel participating in User Acceptance Testing (UAT). Participating trade representatives are from 34 large U.S. companies and 17 brokers. As part of the UAT, the first ever monthly payment will be processed on July 15, 2004.
- **Conducting Successful Field Testing of Security Prototypes.** Personnel at the National Targeting Center have reported that the field trials for the Knowledge-Based Risk Management and the Intelligent Information Factory prototypes have been very successful, and that the prototypes promise to provide significant border security capabilities in the future.
- **Expanded ACE Account Access to the Trade Community.** Since Account Creation (Release 2), CBP has expanded from the initial 41 accounts. As of May 28, 2004, there are 145 importers with access to the ACE Secure Data Portal.
- **Completed the Global Business Blueprinting (GBB) Effort.** The GBB defined the future CBP business processes that will guide the technology framework for future ACE capabilities. This significant effort included workshops, port visits, and coordination with CBP headquarters, the Trade Support Network (TSN), and Participating Government Agencies (PGAs). The GBB provides the roadmap on how best to leverage Systems, Applications, and Products in Data Processing (SAP) to support the future business processes.
- **Began Unit Testing and Software Integration Testing (SWIT) for e-Manifest: Trucks (Release 4).** Unit Testing and SWIT for e-Manifest: Trucks continued through this period. Unit Testing is the first test conducted in the overall testing process. This testing verifies the smallest modules of programming perform as designed. SWIT is the first test where all the modules of the application are integrated into the application. It is the first point where legacy systems are integrated with the newly developed applications.
- **Transitioned from SWIT to System Integration Testing (SIT) for e-Manifest: Trucks (Release 4).** In June 2004, SIT testing began to verify that related system, subsystem, or module components including Commercial-Off-The-Shelf (COTS) products, are capable of integrating and interfacing with each other across platforms and environments.

- **Conducted International Trade Data System (ITDS) Workshops.** The ITDS Team held a series of workshops to facilitate PGA participation in ACE/ITDS from April 2004 through June 2004. Workshops included: the ACE/ITDS Introductory Integration Workshop, ACE/ITDS Scope Workshop, Business Process Analysis and Reengineering Workshop, Budget Planning Workshop, and Data Harmonization Workshop. More than 50 federal government agency representatives participated. Among the agencies represented were Bureau of Alcohol, Tobacco, Firearms, and Explosives; Food Safety Inspection Service; Centers for Disease Control; Bureau of Immigration and Customs Enforcement; and Federal Maritime Commission.
- **Continued Integration into the Harmonized Data Set.** As part of the overall effort to incorporate PGAs into ACE/ITDS, the U.S. Census Bureau data elements were incorporated into the ITDS Harmonized Standard Data Set.
- **Developed Enterprise and ACE Desired Business Results (DBRs).** Enterprise and ACE DBRs were developed and prioritized based on CBP strategic goals. The ACE DBRs incorporated ITDS objectives, and feedback was solicited from key stakeholders, including ITDS representatives and CBP business executives. The eCP delivered Selectivity 1 Release DBR objectives and performance measures, as well as revised performance measures for the Account Creation and Periodic Payment releases.
- **Published the ITDS Program Plan.** This document provides a detailed integration plan based upon existing schedules. It will be updated on a schedule consistent with the ACE Program Plan.
- **Developed Modernization Training Strategy.** This strategy document provides direction on how ACE users will be trained to use new business processes and ACE technology. The strategy provides the approach to design, develop, and deliver training that will serve as the foundation for future release-specific training plans.
- **Developed Modernization Communications Strategy and Action Plan (CSAP).** A detailed communications strategy and action plan was developed to ensure the dissemination of timely and accurate information to the stakeholders and users of the systems developed under the CBP Modernization Program. The CSAP also outlines communications objectives, messages and delivery vehicles, and channels to reach stakeholder groups.
- **Conducted TSN Conference.** The TSN was held June 29, 2004, through July 1, 2004, providing TSN Committee members with an opportunity to meet and discuss ACE related issues; receive updates on ACE functionality; and receive a status on the ACE implementation dates.

1.3 Open General Accounting Office Recommendations

The U.S. Customs and Border Protection Modernization Office (CBPMO) is aggressively addressing the following open GAO recommendations:

1.3.1 Cost-Estimating

GAO Recommendation: Develop and implement a rigorous and analytically verifiable cost-estimating program. Ensure that future expenditure plans are based on cost estimates that are reconciled with independent cost estimates.

The CBPMO has an established independent cost-estimating capability using a Life-Cycle Cost Model (LCCM). The LCCM enables an independent analysis and validation of e-Customs Partnership (eCP) cost and schedule estimates, and helps determine whether the proposed costs and schedule for specific pieces of work are reliable. The CBPMO successfully uses the LCCM to provide Independent Government Cost Estimates (IGCEs) for procurement efforts. The CBPMO is using the LCCM and an independent contractor for all future expenditure plans.

1.3.2 Human Capital Management (HCM)

GAO Recommendation: Immediately develop and implement a CBPMO human capital management strategy.

Ongoing HCM initiatives and activities include:

- Modernization Staffing Plan. This plan is in its final review stage. It will be implemented to provide requisite government resources to effectively manage the ACE Program. The plan describes the total number of personnel required for CBPMO, including new positions, and how those positions will be staffed. The CBPMO has begun recruitment efforts.
- Job Analysis. This analysis supports the Modernization Staffing Plan. A Position Responsibility Document (PRD) is being developed for each position and will include: primary and secondary duty areas, supervisory responsibility, authority/accountability, and communication methods. Combined with the standard position description, the PRD will fully define each position and establish a foundation for recruitment, selection, and performance management.

- Program Management Training. Several CBPMO staff members are participating in the Office of Information and Technology (OIT) Project Management Education and Certification Program (PMECP), a comprehensive nine-month training program based on the Project Management Institute's *Guide to the Project Management Body of Knowledge*. Three CBPMO managers have completed the program, which culminates with a preparatory class for the Project Management Professional examination, and four other managers are enrolled in the program. The CBPMO is committed to ensuring all CBPMO staff members complete the PMECP.

1.3.3 Independent Verification and Validation (IV&V)

GAO Recommendation: Establish an IV&V function to assist CBP in overseeing contractor efforts, such as testing. Ensure the independence of the IV&V agent.

The OIT is pursuing procurement of IV&V services from a source with no prior involvement in the Modernization Program to ensure independence. Until this acquisition can be completed, the Federally Funded Research and Development Center (MITRE) will continue to offer assessments of the Modernization Program, reporting through the Special Assistance for Audit and Quality Assurance as a means of providing an interim solution to concerns about independence raised by the GAO.

1.3.4 Use of ACE Infrastructure for DHS

GAO Recommendation: Take appropriate steps to have future ACE expenditure plans specifically address proposals or plans to extend or use ACE infrastructure to support other homeland security applications.

The CBPMO is closely coordinating with DHS counterparts to ensure appropriate program integration, plan for future environments, share resources and lessons learned, and leverage economies of scale on infrastructure investment. The CBPMO has included DHS representatives in program management reviews and the development of program expenditure plans, and recently added representatives from the Transportation Security Administration and the Information Analysis and Infrastructure Protection Directorate to the Modernization Executive Steering Committee. The leadership from the CBPMO and US VISIT program offices continue to coordinate on lessons learned, best practices, and opportunities for collaboration.

1.3.5 ACE Acquisition Schedule

GAO Recommendation: Reconsider the ACE acquisition schedule and cost estimates in light of early release problems, including these early releases' cascading effects on future releases and their relatively small size compared to later releases; and in light of the need to avoid past levels of concurrency among activities within and between releases.

The updated ACE Program Plan will reflect a significant change in the overall rollout schedule, and both the cost and schedule will align with the Fiscal Year 2005 President's Budget. The net effects will be less design concurrency for ACE release, and much better synergy among the design, development and deployment of the cargo shipment lifecycle processes, and the national security features and functions provided by the S&T capabilities and tools. The recently completed GBB will provide the basis for better definition of the remaining releases, and greater confidence in the new cost and schedule for the ACE Program.

1.3.6 Measurement of Program Management Improvement Efforts

GAO Recommendation: Define measures, and collect and use associated metrics, for determining whether prior and future program management improvements are successful.

A new metrics plan currently under review incorporates new metrics, as well as draws upon selected current metrics, to enable performance analysis through a balanced scorecard. The CBPMO is developing a Report Card that is based on Earned Value measurements. Earned Value provides the industry-standard for performance measurement with dual benefits of accurately reflecting current cost and schedule performance, and offering predictive trends for more in-depth analysis. The CBPMO has augmented these performance measures with a Confidence Factor that combines eight metrics to provide a predictive indicator of confidence that can be ascribed to the key Earned Value metrics. These quantitative measures are complemented by subjective assessments by CBPMO Acquisition Directors.

2. Schedule

As noted in the March 31, 2004, *ACE Report to Congress*, a number of factors impacted on CBP ability to complete ACE development under the 5-year schedule baseline, including: expanded mission priorities to simultaneously accomplish the dual CBP mission of border security and trade facilitation; growth in potential ACE users from the establishment of the DHS; and initially underestimating the size and complexity of ACE. The result is a more comprehensive program than originally planned.

The ACE is evolving to ensure that the priority homeland security missions of CBP and DHS are being addressed. The CBP has enhanced S&T functionality to be more effectively focused on border security, and provide a better balance with the functionality supporting trade facilitation. This enhanced functionality will enable CBP to obtain information much earlier in the supply chain, and complement programs such as the Container Security Initiative. To better align the delivery of ACE capabilities with the CBP mission, S&T capabilities will be deployed as follows.

Capability	Estimated Release Date
Selectivity Foundation	September 2005
Targeting Foundation	December 2005
Advanced Targeting Capabilities	February 2007
Full Selectivity Tools	November 2008

Fig. 1 Estimated Delivery Dates for Selectivity and Targeting

On the overall ACE schedule, lifecycle cost model scenarios currently being reviewed by CBPMO indicate that ACE development will be complete in the 2010 to 2012 timeframe. In spite of this longer development schedule, CBP is still on track to provide significant ACE capabilities throughout this period. The ACE Program Plan, with the results of the GBB incorporated, is currently under review by CBPMO. Once the review is completed, a more definitive estimated program schedule and cost will be determined. For near-term ACE capabilities, Figure 2 reflects original contract baselines, and subsequent changes to schedule dates for Periodic Payment and e-Manifest: Trucks (Releases 3 and 4) PRR and Operational Readiness Reviews (ORR).

Milestone	Original Contract Baseline	Revised Program Plan (Version 10.2)	Current Contract Projection (*Over Target Baseline)
Periodic Payment PRR	12/15/03	4/30/04	5/28/04 (completed)
Periodic Payment ORR	3/15/04	7/30/04	8/26/04
e-Manifest: Trucks PRR	4/14/04	10/29/04	11/26/04
e-Manifest: Trucks ORR	7/15/04	1/31/05	2/23/05

Fig. 2: Periodic Payment and e-Manifest: Trucks Schedules (*see section 3.2)

3. Cost

3.1 Fiscal Status: Funding and Expenditures

The FY 2005 CBP Modernization Expenditure Plan currently being developed is consistent with the FY 2005 President's Budget and will be submitted to DHS in July 2004. The plan requests \$305.5 million for ACE and \$16.2 million for ITDS. Among the key elements are:

- Detailed design and development of the Trade Facilitation and S&T functionality previously described.

- Deployment of e-Manifest capability to truck ports.
- Design and development of up to 28 agencies' requirements of ITDS.

To date, Congress has appropriated and released \$1.07 billion for ACE/ITDS. Of the \$1.07 billion, \$771 million has been obligated. Figure 3 provides a summary of ACE funding, obligations, and expenditures through May 31, 2004.

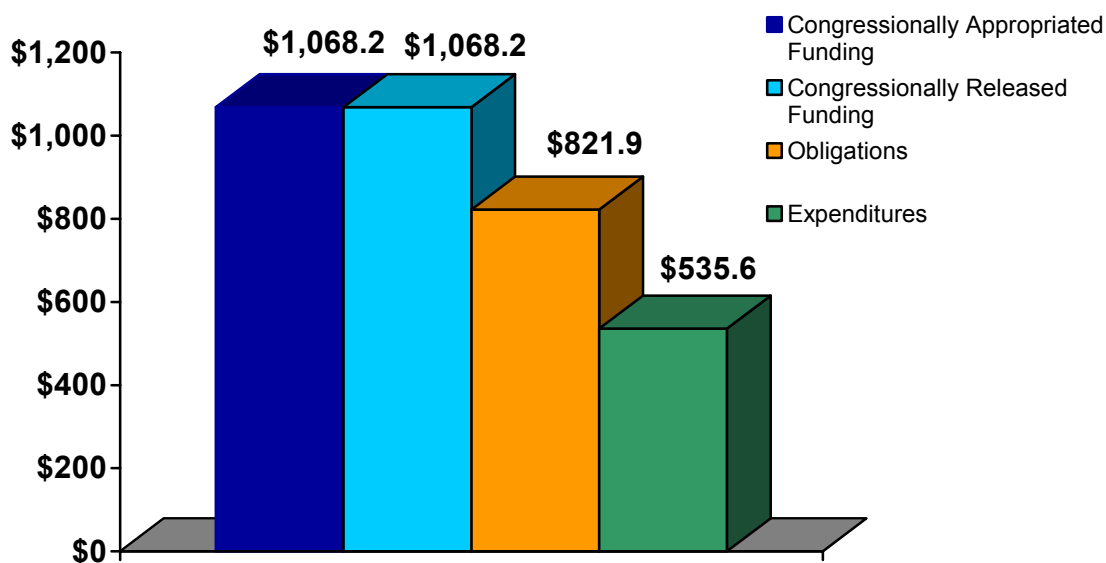


Fig. 3: ACE and ITDS Funding Status

3.2 Cost Containment

The March 31, 2004, *ACE Report to Congress* highlighted there was a cost variance in Periodic Payment (Release 3) and e-Manifest: Trucks (Release 4) as a result of the schedule delays, ultimately determined to be \$48.6 million. This continues to represent a projected program cost variance that is within program cost containment objectives, and within expected boundaries for similarly complex programs.

To address this variance, CBPMO intensified its oversight, coordinated with eCP to invigorate Earned Value Management analysis, and negotiated with eCP for an Over Target Baseline (OTB). An OTB is a management plan used when project cost, schedule, and/or performance cannot be achieved and must be revised. This OTB establishes a revised performance baseline and improves managerial control over the remaining project work in these two releases. As part of the OTB, the schedule milestones remained firm as depicted in Figure 1.

The cost variance for Periodic Payment and e-Manifest: Trucks was funded with replenished management reserve from FY04 funds (reported to Congress via separate correspondence); the contractor's forfeited incentive fee; and a funding reallocation from the late February 2004 decision to realign the capabilities, which had been planned for e-Manifest: All Modes (Release 5; this and future release names are being renamed consistent with the results of the GBB and will be reflected in the September 30, 2004, *ACE Report to Congress*). The key considerations for realigning the e-Manifest: All Modes capabilities were outlined in the March 31, 2004, *ACE Report to Congress*.

In addition to the other cost containment measures outlined in the March 31, 2004, *ACE Report to Congress*, CBPMO is: (1) using eCP unearned fees to motivate improved cost performance and quality over the remaining period of performance; and (2) implementing a cost share requirement as a strong incentive for eCP to achieve the revised target cost and minimize cost, schedule, and performance risks.

Based on the intensified CBPMO oversight, the cost overrun issue has been managed and resolved within the approved program funding.

4. Near-Term Milestones

The following are key near-term milestones scheduled between June 30, 2004, and August 1, 2004.

- **July 2004: Continued ACE Account Expansion Activities.** With the advent of Periodic Payment, CBP will expand ACE Accounts to importers, brokers, and carriers. By spring 2005, 1,100 ACE Accounts will have access to the ACE Secure Data Portal.
- **July 2004: DBR Objectives and Performance Measures for Upcoming Releases.** For new releases due in July 2004, such as Selectivity Release 2, DBR objectives, which are a set of measurable business value objectives and the associated Performance Measures will be developed and delivered.
- **July 2004: Government Support Network (GSN).** This GSN meeting will provide an opportunity to discuss ACE/ITDS related issues and activities; and receive an update on status on the ACE/ITDS functionality and implementation dates. This is also an opportunity for agency representatives to provide input on what capabilities they would like to see in ITDS and their assessment on how their respective agencies can be integrated into ACE/ITDS.
- **July/August 2004: Project Preparation for Upcoming Release.** Project preparation activities for the upcoming ACE cargo management release will begin. This will include finalizing scope, approach, and team structure in advance of beginning business process blueprinting activities.

- **July/August 2004: e-Manifest: Trucks Curricula Outline and Training Plan.** These documents map training curriculum to functionality, and will detail how CBP end users gain the skills and knowledge needed to achieve the anticipated business benefits of this release.
- **July 2004: ACE Program Plan, Version 11.** The updated program plan will be delivered by eCP for CBPMO review and approval. This plan incorporates actual performance to date, all known funding constraints, and impacts of transitioning to DHS.
- **August 2004: Operational Readiness for ACE Periodic Payment.** The ORR for Periodic Payment and expanded account management capabilities is scheduled for late August.
- **September 2004: Expenditure Plan.** Submit Fiscal Year 2005 Modernization Expenditure Plan to Congress.

5. Outlook

This year continues to be a critical one for ACE. There are nearly 150 trade accounts now participating in ACE, representing more than 27.5 percent of the value of annual imports, and 29.2 percent of the total annual duties collected. This ACE expansion will continue with an interim objective of reaching 1,100 accounts by spring 2005.

The revised ACE Program Plan is nearing completion and will soon be reviewed and approved, charting the course for the development of the next set of ACE releases. Periodic Payment and other account capabilities are now being piloted and evaluated, and this fall e-Manifest: Trucks capabilities will go into production. In all, more than 5,000 CBP personnel will participate in ACE training this year. As a result of realigning program focus to accomplish both border security and trade facilitation simultaneously, the ACE Program Plan includes three releases specifically focused on S&T. Pilot testing of two new security prototypes, Knowledge Based Risk Management and the Intelligent Information Factory, will soon be complete.

Engagement with other agencies on ACE/ITDS has intensified. The CBP and ITDS Board of Directors have identified more than 80 federal agencies that would benefit from integrating or interfacing with the ACE/ITDS program. Numerous senior CBP and ITDS executive briefings have been conducted within various agencies to help ensure ACE/ITDS realizes the full benefits of a single-window system for the trade community. In addition to CBP, there are nine PGAs that are committed to participating in e-Manifest: Truck and future releases. Another 14 agencies have expressed interest in participating.

Though the program experienced schedule, cost, and technical challenges, we are now seeing the benefits of the program management and technical enhancements

incorporated during past several months. With each challenge, CBP and the program team have added to lessons learned that will be leveraged in future ACE development.

For More Information:

Additional information on ACE may be found on the CBP website (www.cbp.gov) under the *Modernization and ACE* link.

The first five reports to Congress on ACE may be found on the CBP website at http://www.cbp.gov/xp/cgov/toolbox/about/modernization/quarterly_reports/

Questions may be directed to:

L. Seth Statler
Deputy Assistant Commissioner
Office of Congressional Affairs
(202) 927-1760

Sharon A. Mazur
Acting Executive Director
U.S. Customs and Border Protection Modernization Office
(703) 440-3000

Appendix A. ACE Implementation

The ACE capabilities will deliver increased border security, and enable improved trade compliance. The ACE will also increase efficiency and improve customer service for key stakeholders, which include importers, brokers, carriers, and other government agencies.

The ACE Account Creation (Release 2) was launched in June 2003, with 41 initial importer accounts given access to the ACE Secure Data Portal. Account Creation (Release 2) provides initial on-line account capabilities to CBP and the trade community. The following paragraphs summarize the features in future ACE releases.

Periodic Payment (Release 3): Fall 2004 (scheduled operational readiness)

Periodic Payment was launched in June 2004, and is currently being piloted and evaluated. Operational deployment is scheduled for fall 2004, allowing accounts to centralize payment processing and to utilize periodic monthly statement and payment capabilities, as well as Automated Clearinghouse (ACH) Credit and Debit. This release also provides an initial customer account-based subsidiary ledger interfaced with the CBP general ledger.

Features include:

- Monthly Periodic Statement – A monthly summary of the receivables and disbursements relating to a particular trade account and covering a specified period.
- Monthly Periodic Payment – A financial transaction in which a trade account pays the obligations, such as estimated duties and fees it owes to CBP.
- ACH Credit Payment – Payment method where the payer initiates payment through its financial institution. The financial institution electronically transmits the payment through the ACH/Federal Reserve network to the CBP account maintained by the Department of the Treasury.
- ACH Debit Payment – Payment method where the payer transmits payment authorization to CBP, and CBP sends the payment information through the network to the payer's financial institution.

Periodic Payment (Release 3) will expand the account management framework to a larger trade audience, including brokers, carriers, and CBP representatives overseeing those areas. The Account Profiles for importers, brokers, and carriers will support some information relevant to the Customs-Trade Partnership Against Terrorism. It will provide a record of communications between the account and CBP (and ultimately with PGAs) via the Significant Activity Log.

This release will provide a new CBP revenue capability that allows importers and their designated brokers to make periodic monthly payments for monthly statements of duties and fees. In addition, this release will establish the first CBP customer-based subsidiary ledger for financial transaction processing, and will provide an expanded account view into account activity logs and exam findings.

e-Manifest: Trucks (Release 4): Fall 2004 (scheduled production readiness)

Cargo Processing in ACE will begin in e-Manifest: Trucks with the implementation of Automated Truck Manifest with Preferred and Standard e-Releases for trucks at seven land border ports. This will allow for quicker entry for pre-filed and pre-approved cargo. Delivery of electronic release capability in e-Manifest: Trucks (Release 4) will proceed in phases; phase one includes seven land border ports, and phase two will include the remaining 80-plus land ports. These deliveries will be followed by deployment to 250 ports, including sea, air, and rail. The ACE will ultimately be delivered to all ports, transportation modes, and locations.

Features:

- Automated Truck Manifest – Truck carriers submit crew, passenger, conveyance, equipment and shipment information specific to the crossing of a conveyance from Mexico or Canada into the United States.
- e- Release – The electronic process of reconciling CBP release authorizations and in-bond movement authorizations with manifest records maintained in ACE, thereby allowing goods to enter into the United States.

The e-Manifest: Trucks (Release 4) will provide an electronic truck manifest, a primary inspector interface, and expedited importation processing. The inspector interface will consolidate more than seven separate cargo release systems to provide CBP officers with a comprehensive view of enforcement and transaction history data to enhance enforcement capabilities and simultaneously expedite the movement of trade. The electronic manifest will fulfill the mandate from the Trade Act of 2002 to provide an electronic manifest for trucks. The automated manifest release processes will determine the admissibility of cargo, conveyances, and equipment arriving in the United States.

The release will interface with the Automated Targeting System to provide selectivity data to CBP primary officers to target high-risk transactions, and Tracer to record and track information associated with potential or actual non-compliance. ACE will support the expedited release functionality of the Free and Secure Trade (FAST) program. The ACE refers to manifests associated with the release process defined by FAST as Preferred; all other manifest filings are referred to as Standard and incorporate release mechanisms such as the Border Release Advanced Selectivity System (BRASS), In-bond movements for Immediate Transportation, Transportation and Exportation and Immediate Exportation, Section 321 low value shipments, and Pre-Arrival Processing System (PAPS) shipments.

This release includes the first ITDS PGA, the Federal Motor Carrier Safety Administration (FMCSA), to manage truck safety issues at U.S. land borders. The ACE/ITDS will transmit data to FMCSA's Query Central. The FMCSA will screen for potential issues and send the screening results back to CBP and the carrier through ACE/ITDS, prior to arrival at the border.

The e-Manifest: Trucks (Release 4) processing will be initially deployed in up to seven truck ports and then expanded to all U.S. land border crossings. Once e-Manifest: Trucks (Release 4) is deployed in all FAST ports, ACE will process all of the FAST transactions (Declaration and Release).

ACE Release Selectivity 1 (Selectivity Foundation): September 2005

Features:

- State-of-the-art business rules engine to enhance selectivity capabilities
 - Manifest & Entry Summary transactions
- Centralized, standard data store for all S&T criteria
 - Enables business users to maintain and manage criteria without programming
 - Every data element accessible for creating criteria
 - Facilitates ability to determine “reasons” for an exam

ACE Release Selectivity 2 (Targeting Foundation): December 2005

Features:

- Extend selectivity functionality to Entry Summary Selectivity
- Border Targeting and Analysis Portal
 - National Targeting Center Workflow Automation
 - Search and Analysis over disparate data sources
 - Text Analytics
 - Analyst Collaboration

ACE Release Selectivity 3 (Advanced Targeting Capabilities): February 2007

Features:

- Extend selectivity functionality to include additional areas (e.g., Drawback, Export)
 - Provide access to advance Trade Data for Risk Assessment
 - Provide analytical tools including link cluster and text analysis
 - Enhance Risk Management process by completing the risk management life cycle
- Extend Targeting functionality

ACE Release Selectivity 4 (Full Selectivity Tools): November 2008

Features:

- Finalize S&T platform with robust set of integrated tools that allow modernized capabilities for pro-active, preemptive risk mitigation
 - Provide full functionality for all modes of transportation and all transactions
 - Complete S&T functionality needed for all PGAs
 - Add advanced data exploration techniques (e.g., artificial intelligence) for pattern analysis and recommended actions

Future ACE Releases

The GBB effort defined future business processes and forms the basis for determining capabilities that will be developed for future ACE releases. The results of the GBB are being incorporated into the revised ACE Program Plan, which will be delivered by eCP in early July for CBP review and approval. Tentatively, future releases have been identified as:

- Release 5 - Post Release and Manifest
- Release 6 - Pre-Release Processes
- Release 7 - Complete Shipment Management

Appendix B. Acronyms and Selected Definitions

ACE	Automated Commercial Environment. The first major project of U.S. Customs and Border Protection Modernization. Through enhanced business processes and the new technology in ACE that will support them, border security and trade facilitation will be greatly enhanced.
ACH	Automated Clearinghouse
BRASS	Border Release Advanced Selectivity System
CBP	U.S. Customs and Border Protection
CBPMO	U.S. Customs and Border Protection Modernization Office. The program office for the Automated Commercial Environment project and other CBP Modernization efforts.
COTS	Commercial-Off-the-Shelf
CSAP	Communications Strategy and Plan
DBR	Desired Business Results
DHS	Department of Homeland Security
EA	Enterprise Architecture
eCP	e-Customs Partnership
FAST	Free and Secure Trade
FRN	Federal Register Notice
FY	Fiscal Year
GAO	General Accounting Office
GBB	Global Business Blueprinting
GSN	Government Support Network
HC	Human Capital
HCM	Human Capital Management
IIF	Intelligent Information Factory
IGCE	Independent Government Cost Estimate
ITDS	International Trade Data System
IV&V	Independent Verification and Validation
KBRM	Knowledge-Based Risk Management
LCCE	Life-Cycle Cost Estimate
LCCM	Life-Cycle Cost Model

OIT	Office of Information and Technology
ORR	Operational Readiness Review
PGA	Participating Government Agency
PMECP	Project Management Education and Certification Program
PRD	Position Responsibility Document
PRR	Production Readiness Review
S&T	Selectivity and Targeting
SAP	Systems, Applications, and Products in Data Processing
SAPG	Systems Acquisition Planning Group
SAT	Systems Acceptance Testing
SIT	Systems Integration Testing
SWIT	Software Integration Testing
TSN	Trade Support Network
UAT	User Acceptance Testing